

Dr. Babasaheb Ambedkar Open University

Term End Examination February – 2026

Course	: BBA	Date	: 20-Feb-2026
Subject Code	: BBACC301	Time	: 11:30am to 01:45pm
Subject Name	: Management Accounting	Duration	: 02.15 Hours
		Max. Marks	: 70

	Answer the following questions.	Marks																								
Q-1	Discuss the Scope of Management Accounting in detail.	14																								
	Or																									
Q-1	Explain the Limitations of Financial Statement Analysis.	14																								
Q-2	Explain the Tools & Techniques of Financial Statement Analysis.	14																								
	Or																									
Q-2	Explain the Usefulness and Limitations of Ratio Analysis.	14																								
Q-3	From the following particulars extracted from the books of Ashok & Co. Ltd., compute the following ratios and comment: (1) Current ratio, (2) Acid Test Ratio, (3) Stock-Turnover Ratio, (4) Debtors Turnover Ratio (Average Debt Collection period), (5) Creditors' Turnover Ratio.	14																								
	<table><tr><td></td><td>1-1-2022 (Rs.)</td><td>31-12-2022 (Rs.)</td></tr><tr><td>Bills Receivable</td><td>30,000</td><td>60,000</td></tr><tr><td>Bills Payable</td><td>60,000</td><td>30,000</td></tr><tr><td>Sundry Debtors</td><td>1,20,000</td><td>1,50,000</td></tr><tr><td>Sundry Creditors</td><td>75,000</td><td>1,05,000</td></tr><tr><td>Stock-in-trade</td><td>96,000</td><td>1,44,000</td></tr></table> Additional information: (a) On 31-12-2022, there were assets: Building Rs. 2,00,000, Cash Rs. 1,20,000 and Cash at Bank Rs. 96,000. (b) Cash purchases Rs. 1,38,000 and Purchases Returns were Rs. 18,000. (c) Cash sales Rs. 1,50,000 and Sales returns were Rs. 6,000. Rate of gross profit 25% on sales and actual gross profit was Rs. 1,50,000. Or		1-1-2022 (Rs.)	31-12-2022 (Rs.)	Bills Receivable	30,000	60,000	Bills Payable	60,000	30,000	Sundry Debtors	1,20,000	1,50,000	Sundry Creditors	75,000	1,05,000	Stock-in-trade	96,000	1,44,000							
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Q-3	Explain the Classification of Budget in details.	14																								
Q-4	Prepare a Flexible budget for overheads on the basis of the following data. Ascertain the overhead rates at 50% and 60% capacity.	14																								
	<table><tr><td>Variable overheads: At 60% capacity</td><td>(Rs.)</td></tr><tr><td>Indirect Material</td><td>6,000</td></tr><tr><td>Labour</td><td>18,000</td></tr><tr><td>Semi-variable overheads:</td><td></td></tr><tr><td>Electricity:</td><td>30,000</td></tr><tr><td>40% Fixed</td><td></td></tr><tr><td>60% variable</td><td></td></tr><tr><td>Repairs:</td><td>3,000</td></tr><tr><td>80% fixed</td><td></td></tr><tr><td>20% Variable</td><td></td></tr><tr><td>Fixed overheads:</td><td></td></tr><tr><td>Depreciation</td><td>16,500</td></tr></table>	Variable overheads: At 60% capacity	(Rs.)	Indirect Material	6,000	Labour	18,000	Semi-variable overheads:		Electricity:	30,000	40% Fixed		60% variable		Repairs:	3,000	80% fixed		20% Variable		Fixed overheads:		Depreciation	16,500	
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Insurance	4,500
Salaries	15,000
Total overheads	93,000
Estimated direct labour hours	1,86,000

Or

- Q-4 The standard material input required to produce 1000 kgs of a finished product is as follows: 14
- | | | |
|-----------------|-----------------------|--|
| Material D | 450 Kg @ Rs.20 per Kg | |
| Material E | 400 Kg @ Rs.40 per Kg | |
| Material F | 250 Kg @ Rs.60 per Kg | |
| | 1100 | |
| Standard Loss | 100 | |
| Standard Output | 1000 | |
- During the period, 20,000 kg, of finished product were actually produced and consumption was as follows:
- | | |
|------------|--------------------------|
| Material D | 10,000 Kg @ Rs.18 per Kg |
| Material E | 8600 Kg @ Rs.45 per Kg |
| Material F | 4400 Kg @ Rs.65 per Kg |
- Calculate Material Cost Variance, Material Price Variance, Material Usage Variance, Material Mix Variance, Material Yield Variance
- Q-5 (A) Write a short note (any three)
- | | | |
|---|---|----|
| 1 | Difference between Management Accounting and Cost Accounting. | 03 |
| 2 | Limitations of Standard Costing | 03 |
| 3 | Distinction between Fund Flow Statements and Balance Sheet | 03 |
| 4 | Significance of Funds Flow Statement | 03 |
| 5 | Format of Cash Budget | 03 |
- Q-5 (B) MCQ.
- | | | |
|---|--|---|
| 1 | The comparative income statement shows the increase or decrease of _____ over the previous year. | 1 |
| | a. Sales | |
| | b. Profit | |
| | c. Expense | |
| | d. All of the above | |
| 2 | Fund flow statement is based on the concept of... | 1 |
| | a. Business entity | |
| | b. Accounting period | |
| | c. Going concern | |
| | d. All of the above | |
| 3 | Budgetary control helps the management in... | 1 |
| | a. Obtaining bank credit | |
| | b. Issue of shares | |
| | c. Getting grants from government | |
| | d. All of these | |
| 4 | Which of the following is a cash outflow in a cash budget? | 1 |
| | a) Purchase of raw materials | |
| | b) Sale of finished goods | |
| | c) Depreciation expense | |
| | d) Interest revenue | |
| 5 | Which of the following is a benefit of using a flexible budget? | 1 |
| | a) Simplifies budgeting process | |
| | b) Improves forecasting accuracy | |
| | c) Enhances cost control | |
| | d) All of the above | |
